

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

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W-02448A

High Country Pines Water Company, Inc.
5555 N. 7th Street #134, PMB 342
Phoenix, AZ 85014

ANNUAL REPORT

RECEIVED

APR 17 2006

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

FOR YEAR ENDING

12	31	2005
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FOR COMMISSION USE

ANN04	05
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entered
4-18-06
RF

COMPANY INFORMATION

Company Name (Business Name) HIGH COUNTRY PINES WATER COMPANY

Mailing Address 5555 N. 7TH STREET #134, PMB 342
(Street)

PHOENIX
(City)

AZ
(State)

85014
(Zip)

(602) 274-5933

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

Local Office Mailing Address SAME
(Street)

(City)

(State)

(Zip)

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: JON CHENEY
(Name)

(Title)

P.O. BOX 1760
(Street)

PAYSON
(City)

AZ
(State)

85547
(Zip)

(928) 537-8600

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

(928) 601-3497
Pager/Cell No. (Include Area Code)

Email Address _____

On Site Manager: SAME
(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

☒ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: RICHARD SALLQUIST

(Name)

2525 E AZ BILTMORE CIR #117

(Street)

PHOENIX

(City)

AZ

(State)

85016

(Zip)

(602) 224-9222

Telephone No. (Include Area Code)

(602) 224-9366

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: SAME

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☒ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☒ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

COMPANY NAME**HIGH COUNTRY PINES WATER COMPANY****UTILITY PLANT IN SERVICE**

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	5,167		5,167
302	Franchises			
303	Land and Land Rights	3,450		3,450
304	Structures and Improvements	11,227	6,787	4,440
307	Wells and Springs	34,135	28,050	6,085
311	Pumping Equipment	38,957	26,739	12,218
320	Water Treatment Equipment	5,310	1,366	3,944
330	Distribution Reservoirs and Standpipes	79,048	30,993	48,055
331	Transmission and Distribution Mains	543,367	204,917	338,450
333	Services	8,505	6,989	1,516
334	Meters and Meter Installations	8,699	2,702	5,997
335	Hydrants	19,016	9,136	9,880
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant	18,214	15,879	2,335
	TOTALS	775,095	333,558	441,537

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME**HIGH COUNTRY PINES WATER COMPANY****CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	5,167		
302	Franchises			
303	Land and Land Rights	3,450		
304	Structures and Improvements	11,227	5%	374
307	Wells and Springs	34,135	5%	1,137
311	Pumping Equipment	38,957	5%	4,869
320	Water Treatment Equipment	5,310	5%	177
330	Distribution Reservoirs and Standpipes	79,048	5%	1,755
331	Transmission and Distribution Mains	543,367	5%	10,867
333	Services	8,505	5%	283
334	Meters and Meter Installations	8,699	5%	725
335	Hydrants	19,016	5%	380
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant	18,214		911
	SUBTOTAL	775,095		21,478
	CIAC AMORTIZATION			(3,905)
	TOTALS	775,095		17,573

This amount goes on Comparative Statement of Income and Expense Acct. No. 403.

COMPANY NAME**HIGH COUNTRY PINES WATER COMPANY****BALANCE SHEET**

Acct. No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 34,388	\$ 20,069
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	694	(712)
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies	676	542
162	Prepayments	891	850
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 36,649	\$ 20,749
	FIXED ASSETS		
101	Utility Plant in Service	\$ 763,110	\$ 775,095
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation - Utility Plant	312,080	333,558
121	Non-Utility Property		
122	Accumulated Depreciation - Non Utility		
	TOTAL FIXED ASSETS	\$ 451,030	\$ 441,537
	TOTAL ASSETS	\$ 487,679	\$ 462,286

NOTE: The Assets on this page should be equal to Total Liabilities and Capital on the following page.

COMPANY NAME HIGH COUNTRY PINES WATER COMPANY
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BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$ 3,399	\$ 2,829
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	225	225
236	Accrued Taxes	2,429	1,605
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 6,053	\$ 4,659
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 32,000	\$ -
	DEFERRED CREDITS		
251	Unamortized Premium on Debt		
252	Advances in Aid of Construction	443,891	445,034
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	195,248	195,248
272	Less: Amortization of Contributions	59,005	62,910
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 580,134	\$ 577,372
	TOTAL LIABILITIES	\$ 618,187	\$ 582,031
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 150,446	\$ 150,446
211	Paid in Capital in Excess of Par Value	13,522	13,522
215	Retained Earnings	(294,476)	(283,713)
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ (130,508)	\$ (119,745)
	TOTAL LIABILITIES AND CAPITAL	\$ 487,679	\$ 462,286

COMPANY NAME HIGH COUNTRY PINES WATER COMPANY
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COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 78,911	\$ 70,465
460	Unmetered Water Revenue		
474	Other Water Revenues	1,285	1,960
	TOTAL REVENUES	\$ 80,196	\$ 72,425
	OPERATING EXPENSES		
601	Salaries and Wages	\$ -	\$ -
610	Purchased Water		
615	Purchased Power	5,613	4,354
618	Chemicals	258	0
620	Repairs and Maintenance	1,207	1,931
621	Office Supplies and Expense		
630	Outside Services	26,662	29,565
635	Water Testing		
641	Rents	58	0
650	Transportation Expenses		
657	Insurance - General Liability	1,158	1,253
659	Insurance - Health and Life		
666	Regulatory Commission Expense - Rate Case	2,771	1,555
675	Miscellaneous Expense	185	269
403	Depreciation Expense	16,305	17,573
408	Taxes Other Than Income	0	(275)
408.11	Property Taxes	3,256	1,471
409	Income Tax	45	2,633
	TOTAL OPERATING EXPENSES	\$ 57,518	\$ 60,329
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	\$ 290	\$ 1,060
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	3,600	2,393
	TOTAL OTHER INCOME/EXP	\$ (3,310)	\$ (1,333)
	NET INCOME/(LOSS)	\$ 19,368	\$ 10,763

COMPANY NAME HIGH COUNTRY PINES WATER COMPANY

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	1/1/1987			
Source of Loan				
ACC Decision No.				
Reason for Loan	PLANT IMP.			
Dollar Amount Issued	\$ 49,371	\$	\$	\$
Amount Outstanding	\$ 0	\$	\$	\$
Date of Maturity	DEMAND			
Interest Rate	10%	%	%	%
Current Year Interest	\$ 2,393	\$	\$	\$
Current Year Principle	\$ 32,000	\$	\$	\$

Meter Deposit Balance at Test Year End \$ 6,103

Meter Deposits Refunded During the Test Year \$ 768

COMPANY NAME

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
1	30	104		8	N/A	1985

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
10	2	51	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
60,000	1	5,000	1
100,000	1		

COMPANY NAME

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3	PVC	1160
4		
5		
6	PVC	24604
8	PVC	14455
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	
3/4	
1	1
1 1/2	
2	1
Comp. 3	
Turbo 3	
Comp. 4	1
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

LIQUID CHLORINATOR

STRUCTURES:

PUMPHOUSE 18' X 20'
CHAIN LINK FENCING 320'

OTHER:

COMPANY NAME:

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	170	303,280	30,328
FEBRUARY	163	212,890	21,289
MARCH	161	270,455	27,045.5
APRIL	159	349,020	34,902
MAY	160	1,068,520	106,852
JUNE	174	1,733,680	173,368
JULY	175	1,318,834	131,883.4
AUGUST	182	766,986	76,698.6
SEPTEMBER	184	564,280	56,428
OCTOBER	191	616,840	61,684
NOVEMBER	194	386,720	38,672
DECEMBER	179	354,780	35,478
TOTAL		7,946,285	794,628.5

Is the Water Utility located in an ADWR Active Management Area (AMA)?

() Yes

(☒) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes

(☒) No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. 0.055 mg/l

(If more than one well, please list each separately.)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME HIGH COUNTRY PINES WATER COMPANY YEAR ENDING 12/31/2005

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2005 was: \$ 2,382

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

**VERIFICATION
AND
SWORN STATEMENT
Taxes**

RECEIVED

APR 17 2006

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

**VERIFICATION
STATE OF ARIZONA
I, THE UNDERSIGNED
OF THE**

COUNTY OF (COUNTY NAME)
MARICOPA
NAME (OWNER OR OFFICIAL) TITLE
SUSAN STROUD, PRESIDENT
COMPANY NAME
HIGH COUNTRY PINES WATER COMPANY

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

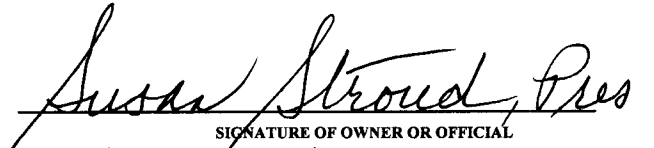
MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.


SIGNATURE OF OWNER OR OFFICIAL

602 274-5933

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

Susan Stroud

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 10th **DAY OF**



MY COMMISSION EXPIRES

8-7-2009

COUNTY NAME	Maricopa
MONTH	April
	2006


SIGNATURE OF NOTARY PUBLIC

COMPANY NAME HIGH COUNTRY PINES WATER COMPANY YEAR ENDING 12/31/2005

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>0</u>
Estimated or Actual Federal Tax Liability	<u>0</u>

State Taxable Income Reported	<u>14,045</u>
Estimated or Actual State Tax Liability	<u>974</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>N/A</u>
Amount of Gross-Up Tax Collected	<u>N/A</u>
Total Grossed-Up Contributions/Advances	<u>N/A</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.


SIGNATURE

4/10/2006
DATE

SUSAN STROUD
PRINTED NAME

President
TITLE

RECEIVED

APR 17 2006

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only

VERIFICATION
STATE OF ARIZONA
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)
MARICOPA
NAME (OWNER OR OFFICIAL) TITLE
SUSAN STROUD, PRESIDENT
COMPANY NAME
HIGH COUNTRY PINES WATER COMPANY

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2005 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 76,354

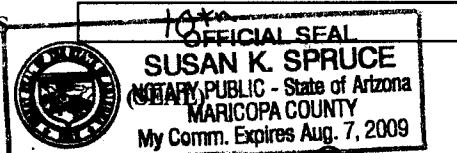
(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 3,929
IN SALES TAXES BILLED, OR COLLECTED)

**REVENUE REPORTED ON THIS PAGE MUST
INCLUDE SALES TAXES BILLED OR
COLLECTED. IF FOR ANY OTHER REASON,
THE REVENUE REPORTED ABOVE DOES NOT
AGREE WITH TOTAL OPERATING REVENUES
ELSEWHERE REPORTED, ATTACH THOSE
STATEMENTS THAT RECONCILE THE
DIFFERENCE. (EXPLAIN IN DETAIL)

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS



DAY OF

Susan Stroud, Pres.
SIGNATURE OF OWNER OR OFFICIAL

602 274-5933
TELEPHONE NUMBER

Susan Stroud

COUNTY NAME
Maricopa
MONTH
April
YEAR
2006

Susan K. Spruce
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES

8-7-2009

VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY

RECEIVED

APR 17 2006

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) MARICOPA	
NAME (OWNER OR OFFICIAL) SUSAN STROUD	TITLE PRESIDENT
COMPANY NAME HIGH COUNTRY PINES WATER COMPANY	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

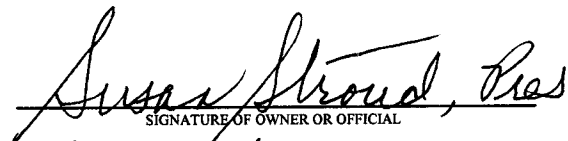
SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2005 WAS:


ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ <u>60,821</u>

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 3,130
IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.


SIGNATURE OF OWNER OR OFFICIAL
602 274-5933
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME


A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

10th

DAY OF

(SEAL)



MY COMMISSION EXPIRES

8-7-2009

NOTARY PUBLIC NAME <u>Susan K. Spruce</u>	
COUNTY NAME <u>Maricopa</u>	
MONTH <u>April</u>	20 <u>06</u>

X 
SIGNATURE OF NOTARY PUBLIC